

The Honorable Sander M. Levin, Ranking Member  
The Honorable Pete Stark, Ranking Member, Subcommittee on Health  
The Honorable John Lewis, Ranking Member, Subcommittee on Oversight

**FOR IMMEDIATE RELEASE**

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**Ranking Members Stark and Lewis Opening Statements at AARP Hearing**

WASHINGTON DC – Reps. Pete Stark (D-CA), Ranking Member of the Ways and Means Health Subcommittee and John Lewis (D-GA), Ranking Member of the Ways and Means Oversight Subcommittee, delivered the following statements today at joint Subcommittee hearing on Republicans' so-called "investigative expose" of AARP:

Ranking Member Stark:

"Thanks to Chairmen Herger and Boustany for holding this hearing. There may be legitimate questions to ask about AARP, but those same questions could be asked of any number of nonprofit organizations with complex structures. We could ask those questions of the Chamber of Commerce, which outranks AARP as the top spender on lobbying over the last 12 years, spending nearly \$740 million on lobbying over that period. We could ask those questions of American Crossroads GPS, which was founded by Karl Rove and spent millions with its sister organization trying to defeat Democratic candidates in the last election. We could ask questions about whether there is a broader problem with the tax code in this area.

But, the Republicans do not want to ask those questions today. Why? That's easy. Those groups opposed the Affordable Care Act and AARP supported it. This is nothing more than a political witch hunt to punish an organization that spoke out in favor of health reform. An organization that could stand in the way of their goal to privatize Social Security and end Medicare and turn senior citizens over to the mercy of the private health insurance industry.

Now, I too have raised questions about AARP. It is true that in addition to the work they do advocating for people age 50 and over, they also make a tremendous amount of money off of

businesses they market to that same population. Frankly though, that is no surprise to America's seniors. AARP's co-branded products make them the biggest player in the Medigap, Medicare Advantage and Part D drug plan markets, and that is obvious to any senior who shops in that market. It's not exactly 'under the veil' as my Republican colleagues would have you believe. Indeed, many new AARP members look forward to joining specifically for the discounts and other deals offered by AARP.

Let's be clear about what we have before us today.

Our Majority has told us they've spent well over a year investigating the financial affairs of AARP. In that time, all the Republicans have done is compiled publicly available information and found that AARP is a large, complex organization with lots of members, all of which is perfectly legal. AARP has cooperated with this investigation. In fact, here is a notebook of all the materials AARP has presented to the Ways and Means Committee Republican staff.

Let's contrast this fact pattern with a recent exchange we had with Doug Holz-Eakin, President of the American Action Forum and former CBO Director, when he testified before the Ways and Committee. He testified – at the Majority's request – on January 26, 2011 at a hearing regarding health reform's impact on the economy.

At that hearing, our Ranking Member Sandy Levin asked Mr. Holz-Eakin to disclose the American Action Forum's funding sources so that we could ascertain who was paying him to deliver his views to Congress. Mr. Holz-Eakin refused to disclose that information at the hearing. In a letter exchange with Ranking Member Levin, Holz-Eakin stated: 'we are in full compliance with all relevant disclosure obligations' and the letter concludes 'For these reasons, I am unable to provide you the information you request.' I'd like to make Mr. Holz-Eakin's letter part of the hearing record.

I have to compliment our Republicans. When they say they are for transparency, they mean it. It is transparent to everyone that AARP is sitting before us today – rather than the American Action Network, 60 Plus, American Crossroads GPS, the Chamber of Commerce, or any host of other non-profits -- because Republicans desperately want to discredit AARP in the minds of seniors.

Republicans know that senior citizens trust AARP. That's why they lauded AARP's endorsement of the Republican Medicare prescription drug bill in 2003. None of them were questioning the motives of AARP then.

Eight years later, Republicans are desperate to try to break the trust that America's seniors have in AARP. They need to do so before they announce their budget that will devastate Medicare, Social Security and Medicaid. Republicans plan to privatize Social Security, block grant Medicaid, and end Medicare altogether -- replacing it with a voucher. A voucher would shift major costs to senior citizens and people with disabilities and would leave at the mercy of the insurance industry to try to obtain affordable health care.

That's why we're here today. We should all see this for what it is -- a waste of government time

and an abuse of government resources in a vindictive attempt to settle a political score and silence a voice that represents seniors. With that, I yield back my time and look forward to hearing the testimony of our witnesses.”

Ranking Member Lewis:

“I thank my colleagues for holding a hearing on tax-exempt organizations; however, I do not think we should single out just one organization. While I agree that organizations that enjoy a special tax status should justify the reasons for their exemptions, I know that there are about 140,000 other organizations that share the same tax status.

Mr. Chairman, while it is our duty to provide oversight of the nonprofit sector, I am saddened that you have chosen to fulfill your duty in the manner displayed today. You and I both know that this hearing is politically motivated and driven by AARP's support of the Affordable Care Act.

Your report admits that all the information contained in it came from publicly available documents, filed in accordance with the law. There is nothing new here today. Nothing that is not already public. Nothing that sets AARP apart. No ‘unveiling’ that I can see.

I am mindful that the Majority wants to cut Social Security. They want to cut Medicare. They want to cut programs that help the poor. I can only surmise that true intent of this hearing is to harm the reputation of AARP or to silence their voice as we move closer to this debate.

If there was a plan to provide real oversight today, we would have before us other organizations who share the same tax status as AARP, like Sixty Plus.

We would have more organizations like Tea Party Patriots, American Crossroads GPS, and American Action Network. They all share the same tax status as AARP and played a major role in the elections.

If there was a real plan today, we would have before us a \$2.2 billion a year race track and casino operating in Iowa under the same tax-exempt status as AARP. I find this unreal. It is unbelievable. If oversight was the true goal, we would look at the compensation paid by other tax-exempt organizations, including those that opposed health reform, like the Chamber of Commerce, AHIP, and NFIB. All pay their executives well, and more than AARP.

Based on all of this, I believe that there is no plan for oversight today. We have before us a single witness, a biased report, and the use of Committee resources to settle a score. This is nothing other than a political witch hunt. The Ways and Means Committee is better than this.

I ask my colleagues who is next? Who else is on your list? My college? Your church? This is a dangerous game.

In closing, I am pleased to have before us today a nationally recognized, expert in the law of tax-exempt organizations, Professor Frances Hill. She wrote one of the leading treatises in this

area, and I look forward to her testimony.

Thank you, and I yield back.”

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